3-1-1993

# "Meeting the Challenge of the New Environmental Era", Natural Resources Defense Council

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Meeting the Challenge of the New Environmental Era

03/01/1993

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United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

# MEETING THE CHALLENGE OF THE NEW ENVIRONMENTAL ERA

Remarks by U.S. Senator Max Baucus
Natural Resources Defense Council
New York City, March 1, 1993

After becoming chairman of the Environment and Public Works Committee, the first meeting I had was with a group from the NRDC. John Adams provided an overview. Bob Adler talked about clean water issues. Linda Greer talked about Superfund issues.

And my good friend Allen Hershkowitz gave me a lesson in Senate procedure. He conducted a filibuster.

This meeting was a fitting way for me to begin my tenure as committee chairman. Over the years, I often have relied on NRDC leaders, from Gus Speth, to Dave Hawkins, to Allen, for advice and for creative solutions.

In the coming months, I will be calling on you even more often, for a simple reason. We are on the brink of an extraordinary period in our nation's life, and in our own lives.

For my part, I'm fifty-one years old. I've been in Congress almost twenty years. Never, in all this time, have I felt the bracing sense of challenge that I feel today.

Ten days ago, President Clinton inspired people all across the country by talking frankly about where we stand. He challenged us: To work together; to innovate; and, most of all, to build a bright future for the generations that will follow in our footsteps.

The President was focusing primarily on the economy and the budget deficit. But the same principles apply to what we might call the environmental deficit. Because we are entering a new era of environmental policymaking. And it, too, will require us to work together, innovate, and focus on the future.

Let me step back for a moment, to try to put things in perspective. Up until now, there have been two eras of modern environmental policymaking.

The first era was the "Golden Age" from the late sixties until 1980; that is, from NEPA to Superfund. During these years, burning rivers, smog-blackened skies, and toxic waste dumps provoked public outrage. Books like Rachel Carson's Silent Spring and Aldo Leopold's Sand County Almanac helped transform outrage into activism.

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All across the country, people awoke to the threat. There was overwhelming public support for tough new environmental laws.

Senator Ed Muskie and other leaders seized the initiative. Congress enacted the National Environmental Policy Act, the Clean Water Act, the Clean Air Act, the Endangered Species Act, Superfund, and other landmark laws.

These laws rejected the notion that our air, water, and land are "free goods" that industries can destroy at will. They set high national standards. They established a creative partnership between the federal and state governments.

And they allowed ordinary citizens to go into court and insist that the laws be enforced. Overall, these laws became worldwide models for enlightened environmental protection.

Then came the second era: The conservative backlash and the stalemate that followed. The era began with deregulation and with President Reagan's attempt to destroy EPA and gut our environmental laws.

Congress fought back, responding to lax administration with increasingly prescriptive legislation. States also fought back, passing progressive environmental laws of their own.

And many of you fought back. You built coalitions. And, when necessary, you hauled polluters and reluctant regulators into court.

While we averted disaster, we made little progress. And, as scientific measurements became more sophisticated, we discovered grave new threats that previously had been beyond our range of vision. Climate change. The loss of biodiversity. The cumulative effects of minute concentrations of toxic pollutants.

Now, many of us sense that we are entering a new era of environmental policymaking.

Both Congress and the Administration are led by Democrats. The President and Vice President are firmly committed to progressive policies. Environmental groups are being consulted, not insulted.

At long last, it seems, the stalemate has ended. We can move forward to meet the challenge.

But a new era requires new thinking. As Senator Muskie told our committee last year, we now face environmental problems that are "more complex, subtle, and politically challenging" than the problems he himself faced a generation ago.

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In some cases, we have to think more expansively, about issues that should be addressed on a vast global scale, like population growth, climate change, and biodiversity. In other cases, we have to think more narrowly, about issues that should be addressed on a "micro" level, by influencing millions of decisions made, every day, by individual developers, small businesses, farmers, and families. Either way, we're pushing at the outer limits of our understanding--of science, of economics, and of social behavior.

At the same time, we're under much tighter constraints than a generation ago. The budget deficit limits our options. And fierce economic competition compels us to think carefully about how new laws affect U.S. companies competing in the international marketplace.

That means conventional strategies must be reconsidered. In particular, we need to try to break out of the old "religious war," between environmentalists and industry, over whether the environment or the economy is more important.

How do we break out? By emphasizing, at every point we can, the positive relationship between environmental progress and economic progress. After all, they really are two sides of the same coin. When we consider the legacy that we will leave to future generations, we don't want to force them to choose between an healthy planet or a healthy economy. We want to leave them a legacy of both.

Obviously, the relationship between the environment and the economy is complex. But we can begin with three steps.

First, we must develop innovative environmental technology.

Paul Kennedy makes this point well in his new book, Preparing for the Twenty-First Century. He compares our situation to that of eighteenth-century Europe. Malthus predicted that escalating population growth would lead to perpetual famine. The prediction was wrong, Kennedy says, because it did not account for "humankind's capacity to develop new resources through technology.". In the same way, Kennedy says, our own ability to avoid an environmental catastrophe will be determined, in large part, by our ability to develop environmental technology.

Some people seem to be taken aback by this point. Maybe they equate technology with heavy, polluting, industries. But that's not necessarily the case. Webster's defines technology as "the application of science, especially to commercial or industrial objectives" along with "the entire body of methods and material used to achieve such objectives."

In this sense, environmental technology means the application of science to the entire production process, so that we can produce goods with fewer resources and less pollution; it

means not only "end of the pipe" pollution control; it means pollution prevention, life-cycle planning, and sustainable development.

Last week, I chaired the Environment Committee's opening hearing of this Congress on exactly this issue. We heard from Jonathan Lasch of the World Resources Institute, Frank Popoff of Dow Chemical, and Dan Greenberg of the Massachusetts state government, and others. On the surface, they represented very different interests. Yet they all agreed that innovative environmental technology is the key to achieving both a healthy environment and a healthy economy.

The driving force behind environmental technology should continue to be the establishment of high environmental standards. Among other things, this puts us ahead of the international curve.

As other countries make progress and adopt higher environmental standards of their own, U.S. companies could be ready to step into the market.

And it will be quite a market. The Council on Environmental Quality estimates the annual demand for environmental technology already is somewhere between $200 and $300 billion. And it is expanding by as much as 10 percent a year.

Our competitors understand. They are investing heavily in the development of cutting edge environmental technology to take advantage of that market.

When I attended the Earth Summit in Brazil last summer, I was surprised to see that the vast majority of the companies marketing pollution control technology there were Japanese and German.

But it won't be enough to just match their efforts. We need to build in to our environmental laws better mechanisms to encourage new processes and products. We need to beef up the federal government's own environmental research efforts, and enlist the federal laboratories and former defense workers in the cause. We need to create the incentives for environmental innovation by the private sector.

And we need to ensure that small and medium size firms, not just the big companies, can reap the benefits of the innovation and the incentives.

This is not as simple as it seems. There are some tough questions to be answered. But it is the very nexus of environmental protection and economic growth. And I intend to make it a focus of the Environment Committee's legislative work.

Second, we must strengthen the link between trade policy and environmental policy.

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We have sophisticated trade laws. We have sophisticated environmental laws. But we have only a rudimentary understanding of the relationship between the two.

The North American Free Trade Agreement is a good example. The initial version of NAFTA would have shifted more jobs to Mexican pollution havens. We would have had the worst of both worlds: fewer jobs and more pollution.

Fortunately, we forced the trade negotiators to take environmental protection seriously. The NAFTA agreement that was reached last year contains unprecedented provisions designed to protect the environment in the U.S., Mexico, and Canada.

But the debate is not over. They say the devil is in the details. In this case, the devilish detail is how the NAFTA environmental provisions will be enforced.

I have proposed that this be done through a North American Commission on the Environment, or "NACE." At the outset, NACE would take a flexible, cooperative, approach.

It would investigate allegations of lax enforcement and develop innovative compliance plans. And it could provide necessary funding, generated by imposing a small fee on cross-border trade.

But if that didn't work, NACE would have the full authority to require that environmental laws be rigorously enforced.

During the next few weeks, I will be working to refine the proposal and incorporate it into the NAFTA side agreements.

But we can't stop there. NAFTA is just a starting point. We also must move ahead and negotiate a GATT "Green Round"--that is, a multilateral trade agreement that establishes an world-wide code of fair environmental practices.

This will be an extraordinarily difficult undertaking. But we can't avoid it. The world is becoming more closely connected. Our policies must keep pace.

Third, we must develop creative solutions to environmental problems.

In some cases, what we refer to as the "command and control" approach continues to make good sense. But in other cases, we can complement command and control approaches with creative new approaches. The goal should be to achieve our environmental policy objectives in the most effective and efficient way.

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For example, one of the most important developments in recent years has been the convergence of environmental and economic thinking. The NRDC has been leading this effort. Other groups, like the Environmental Defense Fund and the World Resources Institute, have also made important contributions.

The theory, simply put, is that good economic policy is good environmental policy. If we insist that a product's price reflect its full social cost, we will reduce pollution and increase economic efficiency.

The recycling proposal that I sponsored last year was a case-in-point. It was designed to make manufacturers consider the entire life cycle of their products, including their disposal costs. As a result, it would increase recycling rates dramatically, but do so in a flexible, market-oriented way.

Another example is the control of diffuse sources of pollution, such as nonpoint sources of water runoff. Nonpoint sources are the largest remaining cause of water pollution. But, to address the problem, we have to influence the behavior of millions of developers, small businesses, construction companies, farmers, and average families.

In this case, traditional regulatory approaches may be to rigid. The most effective and efficient solution may be the development of incentive-based programs to educate people, establish compliance plans that are sensitive to local conditions, and assure that everyone does his or her fair share.

By taking these three steps, we can emphasize the the positive relationship between environmental progress and economic progress. And that, in turn, will help us to meet the challenge of the new environmental era.

But it won't be easy. We must anticipate tough times. The goals are high and the problems many. Occasionally, we're bound to come up short; to become frustrated; to wonder whether, in the end, it's really worth the effort.

Therefore, as we begin, we probably should remind ourselves what the challenge is really all about.

It's about the legacy that we leave to future generations. To our children and our grandchildren.

Earlier I mentioned two books that eloquently make this point, Silent Spring and Sand County Almanac. But to me, it's made best in a book by Norman MacLean, called A River Runs Through It. It's a simple book. But it's about many complex things. God. Family. The West. And, of course, fly fishing.

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It's also about our stewardship of the land and water, from one generation to the next. Near the end, MacLean meditates about fishing the Big Blackfoot River in western Montana, as a boy and as a man. He writes:

> In the Arctic half-light of the canyon, all existence fades to a being with my soul. And memories. And the sounds of the Big Blackfoot River. And a four-count rhythm. And the hope that a fish will rise.
>
> Eventually, all things merge into one, and a river runs through it.

My friends, these words remind us of importance of the challenge. It's up to us. If we work together, innovate, and focus on the future, we'll meet the challenge.

And, as a result, our children, and our grandchildren, will share the legacy of a profoundly beautiful planet.

Thank you.